

**DEVINE
MILLIMET**

ATTORNEYS AT LAW

**CONFIDENTIAL
MATERIAL
IN COMM FILE**

August 15, 2014

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**VIA ELECTRONIC MAIL AND
HAND DELIVERY**

Debra A. Howland
Executive Director & Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

Re: DW 13-126; Pennichuck East Utility, Inc.
Rate Case Expenses

Dear Ms. Howland:

Pursuant to Order No. 25,696 (July 25, 2014) in the above-captioned proceeding, Pennichuck East Utility, Inc. (PEU or the Company) seeks recovery of \$65,649.28 in rate case expenses. As set forth in the summary of rate case expenses, Attachment A, the Company seeks recovery for legal services, consulting services for a cost of service study, filing preparation services, publication notice, customer notice mailing, and, the Public Utilities Commission (PUC or Commission) Staff consultant, which are allowable expenses consistent with the Commission's recently approved rule, Puc 1906.01. If recovered over 12 months, the monthly rate case expense charge per customer would be \$0.78.

PEU also provides, as Attachment B, documentation of its rate case expenses, consistent with the Commission's recently approved rule, Puc 1905.03 (a) through (d). It should be noted that Devine, Millimet and Branch tracked legal expenses in two ways for PWW. For legal services directly attributable to PEU, expenses were billed to account number 023614-098800, PEU 2013 Rate Case. For legal services applicable to the three Pennichuck Corporation (Pennichuck) rate cases, namely, PEU, Pittsfield Aqueduct Company, Inc. (PAC) DW 13-128, and Pennichuck Water Works, Inc. (PWW) DW 13-130, or for which the legal services for the three entities were so intermingled that tracking time by company would be infeasible, expenses were billed to account number 023614-098351, Rate Cases, and assessed based on the management fee allocation percentages for 2012. Such expenses were allocated 80% to PWW, 18% to PEU, and 2% to PAC.

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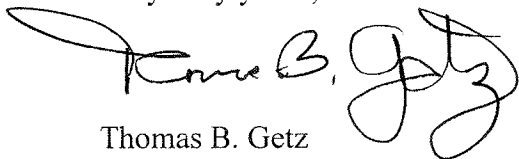
In addition, PEU submits as Attachment C documentation that it procured legal services for this proceeding through a competitive bid process. In May 2012, Pennichuck issued a Request for Qualification for Legal Services to five New Hampshire law firms, seeking responses by June 18, 2012. On June 22, 2012, Pennichuck issued a Request for Fee Proposal-Legal Services, seeking responses by July 9, 2012. Pennichuck selected two finalists from among four proposals, conducted interviews, and selected Devine, Millimet and Branch based on costs and experience. An engagement letter was signed on August 3, 2012. Pennichuck's approach is consistent with the Commission's recently approved rule, Puc 1905.03 (g) and (h). Pennichuck also includes, as part of Attachment C, its Capital Requisition Policy. While this policy is not directly applicable to legal services, it does require proposals/bids for products or services over \$10,000. Pennichuck's requests for qualifications and fee proposal for legal services is consistent with that policy and consistent as well with the Commission's recently approved rule, Puc 1905.03 (e) and (f).

The Company also provides, as Attachment D, the Request for Fee Proposal—Cost of Service Consulting Services, which it issued on January 9, 2013. The Request for Fee Proposal was sent to three firms, two of which were selected as finalists and interviewed. Rafaelis Financial Consultants, Inc. was selected based on costs and experience and a professional service agreement was signed on March 19, 2013.

Finally, the Company seeks confidential treatment of certain billing information contained in Attachment B. Accordingly, enclosed is a motion for confidential treatment pursuant to Puc 203.08, along with redacted and unredacted versions of Attachment B as required by Puc. 201.04

Please do not hesitate to contact me if there are any questions about this request.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas B. Getz". The signature is stylized and cursive, with the first name "Thomas" and last name "Getz" clearly legible.

Thomas B. Getz

TBG:aec

Attachments

cc: Rorie E.P. Hollenberg, Assistant Consumer Advocate
Electronic Service List